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General Accounting Office  
Washington, D.C. 20548

**General Government Division**

B-260088

May 10, 1995

The Honorable William M. Thomas  
Chairman, Joint Committee on Printing  
Congress of the United States

Dear Mr. Chairman:

This letter responds to a request from the former Chair, Joint Committee on Printing, dated October 6, 1994, to determine whether appropriate government officials were alerted to changes in government printing requirements made by the Legislative Branch Appropriations Act of 1995. This act amended the Legislative Branch Appropriations Act of 1993 and expanded the act's definition of printing to include duplicating. As amended, the 1993 act requires that executive agency procurements of printing and duplicating services generally must be made by or through the Government Printing Office (GPO). In addition, the former Chair requested that we examine some of the agency procurements of printing and duplicating in fiscal year 1995 to indicate whether the agencies were implementing the new requirement.

As agreed with the Committee, we reviewed selected guidance and procurements at the headquarters of seven executive branch departments (Agriculture, Commerce, Health and Human Services, the Interior, Transportation, the Treasury, and Veterans Affairs) that have significant amounts of printing and duplicating activities. In our limited review, we were to provide information on whether these departments (1) had alerted the appropriate officials of the requirements of the act and (2) were in the process of implementing the new requirement. (Details of our objectives, scope, and methodology are included as an enclosure to this letter.)

RESULTS IN BRIEF

On the basis of work at the agencies' headquarters, we found that in general, the seven executive branch departments we reviewed were aware of the new duplicating requirement and were in the process of implementing it. Widespread dissemination of our interpretation of the law stating that procurements of duplicating services

GAO/GGD-95-142R, Document Duplicating Requirement

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generally must be done by or through GPO helped clarify the requirement for these agencies.

#### BACKGROUND

Section 207 of the Legislative Branch Appropriations Act of 1993 requires federal agencies to go through GPO for the procurement of printing services, with limited exceptions. One of these exceptions allows agencies to procure printing services directly if the services cost \$1,000 or less and are within certain classes of work certified by GPO. The Legislative Branch Appropriations Act of 1995, signed by the President on July 22, 1994, amended section 207 to add duplicating to those services that are to be procured through GPO unless one of the statutory exceptions applies.

At the time of the signing, a White House press release stated that the act raised concerns by (1) requiring executive branch agencies to obtain a certification from GPO (a legislative branch agency) before procuring the production of certain government documents outside of GPO and (2) expanding the types of services to be procured through GPO beyond those traditionally defined as "printing." The release also stated that the administration would "interpret the amendments to the public printing provisions in a manner that minimizes the potential constitutional deficiencies in the [a]ct."

A September 19, 1994, memorandum from the Office of Management and Budget (OMB) to heads of executive departments and agencies provided guidance on the procurement of printing and duplicating. It stated that the administration and the leadership of congressional committees had agreed to "maintain the status quo regarding present printing and duplicating arrangements during fiscal year 1995" to allow discussions to continue regarding government printing reform initiatives. In particular, OMB said that "existing agency in-house printing and duplicating operations and agency cross-servicing arrangements--e.g., the General Services Administration's (GSA) provision of duplicating services to other agencies in field locations--may continue to operate normally."

On September 30, 1994, we responded to a request from the former Chair, Joint Committee on Printing, for an opinion on whether the definition of duplicating in the 1995 act that amended section 207 covered work done on high-speed duplicating devices. We concluded that the definition of duplicating services does include work done on high-speed duplicating equipment and disagreed with the administration's view that the provision should be construed narrowly to avoid constitutional deficiencies. Furthermore, we cited Department of Justice

opinions sent to GSA noting that section 207 restricts GSA's authority to perform printing services for other government agencies. We also concluded that the amendment was effective July 22, 1994, the date it was signed by the President.

On November 7, 1994, in accordance with section 207, as amended, GPO informed federal agencies in a memorandum of its certification that certain low-volume, quick-turnaround duplication work could not be provided more economically through GPO. Accordingly, this memorandum authorized federal agencies to obtain duplicating services without going through GPO for nonrepetitive procurements that meet all of the following requirements: (1) cost not more than \$1,000, (2) are required in less than 48 hours, (3) do not exceed 25,000 pages in aggregate, and (4) are required for administrative or operational purposes that have no public interest or educational value.

SEVEN EXECUTIVE AGENCIES ARE AWARE OF REQUIREMENT TO PROCURE DUPLICATING THROUGH GPO

The administration's constitutional concerns about section 207, as amended, and the memorandum from OMB citing a need to follow the "status quo" initially caused confusion among the seven executive agencies we reviewed about how to comply with the duplicating amendment. However, widespread dissemination of our September 1994 opinion by the Committee, GPO, and the GPO Contractors Coalition<sup>1</sup> and our briefing of agency officials before the Interagency Council on Printing and Publications Services in November 1994 helped clarify the requirements of the law. The headquarters officials we contacted at seven executive agencies told us they were aware of the requirement to procure both printing and duplicating services through GPO. They also provided us with documentation of guidance they had provided to subordinate agencies and field offices about the need to implement the requirement.

SEVEN EXECUTIVE AGENCIES ARE IN THE PROCESS OF IMPLEMENTING DUPLICATING REQUIREMENT

We examined printing and duplicating procurements of seven executive branch departments for the first quarter of fiscal year 1995 and followed up on selected procurements that did not go through GPO, such as those obtained on a reimbursable basis from

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<sup>1</sup>A coalition of 500 vendors who provide printing and duplication services to federal agencies through contracts with GPO.

GSA and the Defense Printing Service (DPS),<sup>2</sup> to determine whether the agencies were in the process of implementing the new section 207 requirement. We found that the majority of the direct procurements by these agencies appeared to meet the criteria in GPO's November 1994 authorization for obtaining the services outside of GPO. Where the new requirement was not followed, agency officials told us that they did not go through GPO as required because their field locations were in closer proximity to GSA printing sources than to GPO and they had previously experienced bad customer service and delayed billings from GPO. However, since our September 1994 opinion and GPO's November 1994 authorization, agency field offices have been informed of the new duplicating requirements by headquarters officials and urged to comply.

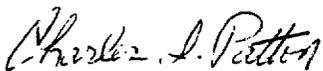
The Director of Legislative Affairs and Public Information of the GPO Contractors Coalition stated that he believes that the number of violations of the new requirement is probably insignificant. It should also be noted that according to both GPO's Comptroller and the Manager of its Printing Procurement Department, GPO has not been able to identify any increase in its business as a result of the passage of the duplicating amendment. This inability to identify an increase in GPO's business may be partially attributable to the trend for agencies to downsize their overall operations including printing.

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Copies of this letter are being sent to the House and Senate Appropriations Committees as well as the Secretaries of the Departments of Agriculture, Commerce, Health and Human Services, the Interior, Transportation, the Treasury, and Veterans Affairs. We will make copies available to others upon request.

Please contact me on (202) 512-3532 if you have any questions about this correspondence.

Sincerely yours,



Charles I. Patton  
Associate Director, Federal Management Issues

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<sup>2</sup>These services were valued at \$4.1 million and \$82,000, respectively, for all federal agencies for the first quarter of fiscal year 1995. Most of these procurements were for less than \$1,000.

OBJECTIVES, SCOPE, AND METHODOLOGY

At the request of the former Chair, Joint Committee on Printing, we reviewed selected activities of seven executive branch departments that have significant amounts of printing and duplicating activities to determine whether these departments (1) have alerted the appropriate officials of the act and (2) were in the process of implementing the new requirement.

To address our objectives, we interviewed officials at GPO to get their views on agency compliance and to discuss the constitutional issues raised by the President when he signed the law in July 1994. We also interviewed officials at GSA and DPS, and obtained documentation from them on the amount of printing and duplicating their agencies had done for other federal agencies in the first quarter of fiscal year 1995. We also briefed members of the Interagency Council on Printing and Publications Services at their meeting on November 17, 1994, about the requirements of the law and interviewed an official with the GPO Contractors Coalition to get his views on compliance.

To look at whether agencies were in the process of implementing the change in the procurement laws, we selected seven executive agencies that had annual printing and duplicating budgets of more than \$25 million and/or procured printing or duplicating from sources other than GPO. Our review included work at the Departments of Agriculture, Commerce, Health and Human Services, the Interior, Transportation, the Treasury, and Veterans Affairs. At these departments, we (1) interviewed officials, (2) reviewed agency guidance to staff regarding the law's requirements, and (3) reviewed agency procurements for printing and duplicating for the first quarter of fiscal year 1995. In order to get a sense of whether agencies were in the process of implementing the requirements, we concentrated on the printing and/or duplicating procurements that the seven agencies obtained on a reimbursable basis from GSA and DPS. It should be noted, however, that our review was limited because many of the agencies are highly decentralized and the detailed information on the procurements was not available at their headquarters. As agreed with your office, because of the low dollar amounts involved, we did not do extensive follow-up on those procurements in the field.

Our review was conducted from November 1994 to April 1995.

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